

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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R 081138Z APR 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 5186

INFO AMEMBASSY ISLAMABAD

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

USIA WASHDC

LIMITED OFFICIAL USE NEW DELHI 5218

E.O. 11652: N/A

TAGS: PINT, IN

SUBJECT: THE GOI VS. THE "STATESMAN"

1. THE GOI IS EXPANDING ITS OFFENSIVE AGAINST THE "STATESMAN", THE LAST MAJOR ENGLISH-LANGUAGE DAILY THAT REMAINS DEFIANT. THE METHODS ARE SIMILAR TO THOSE USED TO FORCE INDUSTRIALIST R.K. GOENKA TO RELINQUISH CONTROL OF THE "INDIAN EXPRESS" CHAIN OF NEWSPAPERS. THREE MONTHS AGO, THE UNION MINISTRY OF LAW AND COMPANY AFFAIRS INITIATED ACTION TO ASSUME RESPONSIBILITY FOR APPOINTING NEW MEMBERS OF THE "STATESMAN'S" BOARD OF DIRECTORS ON THE GROUNDS OF "MALPRACTICES" BY THE PRESENT MANAGEMENT THAT ALLEGEDLY RESULTED IN WASTAGE OF NEWSPRINT IN 1973. THE "STATESMAN" OBTAINED A STAY ORDER AT THE CALCUTTA HIGH COURT THAT HAS BLOCKED IMPLEMENTATION OF THE GOI DECISION. THE COURT IS AWAITING THE GOI BRIEF BEFORE HEARING THE CASE. LAST NOVEMBER THE MINISTRY OF LAW AND COMPANY AFFAIRS INITIATED COURT ACTION AGAINST THE "STATESMAN" MANAGING DIRECTOR IRANI CHARGING HIM WITH ILLEGALLY PURCHASING A SMALL BOMBAY PUBLISHING HOUSE WITHOUT THE FORMAL ASSENT OF

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THE "STATESMAN" BOARD OF DIRECTORS. A THIRD COURT CASE

INITIATED BY IRANI TO BLOCK THE GOI'S EFFORT TO CONFISCATE HIS PASSPORT (NEW DETPI 2418) WILL PROBABLY BE DECIDED BY THE END OF THIS MONTH.

2. A SIDESHOW IN THE GOI-"STATESMAN" TUSSLE OCCURRED APRIL 2 WHEN THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES COMMISSION ORDERED THE "STATESMAN" TO ADJUST THE ADVERTISING RATES FOR ITS CALCUTTA AND DELHI EDITIONS. THE ARTICLE APPEARED ON THE SAME DAY MRS. GANDHI TOLD A MEETING OF STATE INFORMATION MINISTERS IN NEW DELHI THAT SOME PEOPLE CONNECTED WITH METROPOLITAN NEWSPAPERS ARE CITY-CENTERED WITH A SOMEWHAT PERVERSE COSMOPOLITANISM WHICH TAKES DELIGHT IN RUNNING DOWN OUR COUNTRY.

3. COMMENT: GOENKA'S CAPITULATION LAST YEAR FOLLOWED THE FILING OF A VARIETY OF GOVERNMENT SUITS CHARGING HIM WITH CORRUPTION AND MALPRACTICES IN THE RUNNING OF HIS BUSINESSES, INCLUDING BUT NOT LIMITED TO THE "INDIAN EXPRESS" PROPRIETOR BY PRO-GOI FELLOW INDUSTRIALIST AND HEAD OF THE "HINDUSTAN TIMES" NEWSPAPER CHAIN K.K. BIRLA. UNLIKE GOENKA, IRANI IS APPARENTLY DETERMINED TO RESIST TO THE END. (IN ANOTHER MOVE, THE GOI HAS SUCCEEDED IN FORCING OUT "INDIAN EXPRESS" EDITOR-IN-CHIEF S. MULGAONKAR WHO RETIRES APRIL 9.) SCHNEIDER

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